

**New Benefit Year for Railroad
Unemployment and Sickness Benefits**

A new benefit year under the Railroad Unemployment Insurance Act begins July 1, 1997. Administered by the U.S. Railroad Retirement Board, this Act provides two kinds of benefits for qualified railroaders: unemployment benefits for those who become unemployed but are ready, willing and able to work; and sickness benefits for those who are unable to work because of sickness or injury. Sickness benefits are also payable to female rail workers for periods of time when they are not able to work because of pregnancy and childbirth.

The following questions and answers describe these benefits, their eligibility requirements, and how to claim them. They reflect 1996 amendments to the Act which increased the daily benefit rate, shortened benefit waiting periods, eliminated duplicate waiting periods in continuous periods of unemployment and sickness, applied an earnings test for unemployment claims and reduced the duration of extended benefit periods for long-service employees. These amendments were based on joint recommendations to Congress negotiated by railway labor and management.

1. What is the daily benefit rate payable in the new benefit year beginning July 1, 1997?

Almost all employees will qualify for the new maximum daily benefit rate of \$43, which increased from \$42 under indexing provisions reflecting the growth in average national wages. Benefits are generally payable for days of unemployment or sickness in excess of four in biweekly claim periods, which yields \$430 for each two full weeks of unemployment or sickness. However, sickness benefits resulting from other than on-the-job injuries are subject to withholding of certain retirement taxes.

The 1996 amendments to the Act increased the daily benefit rate from \$36 to \$42 last year and revised the formula for indexing the daily benefit rate in subsequent years.

2. What are the eligibility requirements for railroad unemployment and sickness benefits in the new benefit year?

To qualify for normal railroad unemployment or sickness benefits, an employee must have had railroad earnings of at least \$2,162.50 in calendar year 1996, not counting more than \$865 for any month. Those who were not employed in the rail industry before 1996 must also have at least five months of creditable railroad service in 1996.

Under certain conditions, employees with 10 or more years of service who do not qualify on the basis of their 1996 earnings may still be able to receive benefits in the new benefit year. Ten-year employees who received normal benefits in the benefit year ending June 30, 1997, may be eligible for extended benefits, and 10-year employees might qualify for accelerated benefits if they have rail earnings of at least \$2,225 in 1997, not counting earnings of more than \$890 a month.

3. How long are these benefits payable?

Normal unemployment or sickness benefits are each payable for up to 26 weeks in a benefit year. The total amount of each kind of benefit which may be paid in the new benefit year cannot exceed the employee's railroad earnings in calendar year 1996, not counting earnings of more than \$1,117 per month.

If normal benefits are exhausted, extended benefits are payable for up to 13 consecutive weeks to employees with 10 or more years of service. The maximum of 13 weeks was provided by the 1996 amendments to the Act.

4. What is the waiting-period requirement for unemployment and sickness benefits?

Benefits are normally paid for the number of days of unemployment or sickness over four in 14-day registration periods. However, during the first 14-day claim period in a benefit year, benefits are only payable for each day of unemployment or sickness in excess of seven which, in effect, provides a one-week waiting period. But, only one seven-day waiting period is required during any period of continuing unemployment or sickness, even if that period continues into a subsequent benefit year.

Initial sickness claims must also begin with four consecutive days of sickness.

Prior to the 1996 amendments to the Act, no benefits were payable for the first 14-day claim in a benefit year in order to satisfy a two-week waiting period requirement; and each new benefit year required a new waiting period, even during a continuing period of unemployment or sickness.

5. Are there special waiting-period requirements if unemployment is due to a strike?

If a worker is unemployed because of a strike not in violation of the Railway Labor Act, benefits are not payable for days of unemployment during the first 14 days of the strike. However, benefits are payable during subsequent 14-day periods.

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If a strike is in violation of the Railway Labor Act, unemployment benefits are not payable to employees participating in the strike. However, employees not among those participating in such an illegal strike, but who are unemployed on account of the strike, may receive benefits after the first two weeks of the strike.

While a benefit year waiting period cannot count toward a strike waiting period, the 14-day strike waiting period may count as the benefit year waiting period if a worker subsequently becomes unemployed for reasons other than a strike later in the benefit year.

6. Can employees in train-and-engine service receive unemployment benefits for days when they are standing by or laying over between scheduled runs?

No, not if they are standing by or laying over between regularly assigned trips or they missed a turn in pool service.

7. Can extra-board employees receive unemployment benefits between jobs?

Yes, but only if the miles and/or hours they actually worked were less than the equivalent of normal full-time work in their class of service during the 14-day registration period. It would also depend on the employee's earnings.

8. How would an employee's earnings in a registration period affect his or her eligibility for unemployment benefits?

Since the 1996 amendments to the Act, an earnings test is applied to unemployment claims. If a claimant's earnings for days worked, and/or days of vacation or paid leave, in a 14-day registration period are more than a certain indexed amount, no benefits are payable for any days of unemployment in that period. For the benefit year that begins July 1997 the test amount is \$865, which corresponds to the base year monthly compensation amount used in determining eligibility for benefits in the new benefit year.

For example, two employees who have already served initial waiting periods file identical claims which include nine days of unemployment and five days of employment during the same 14-day registration period. However, the first employee had earnings of \$900 from the five days of employment in that registration period, while the second employee had earnings of \$500. Because the first employee's earnings exceeded \$865, no benefits are payable for any days of unemployment during this registration period. However, the second employee would be eligible for five days of benefits.

9. How does a person claim unemployment benefits?

In order to receive unemployment benefits, claimants must obtain an application from their labor organization, employer, local Railroad Retirement Board office or the Board's Web Site at <http://www.rrb.gov>. The completed application should be mailed to the local Board district office as soon as possible and, in any case, must be filed within 30 days of the date on which the claimant became unemployed or the first day for which he or she wishes to claim benefits. Benefits may be lost if the application is filed late.

However, only one application need be filed during a benefit year even if a claimant becomes unemployed more than once. In that case, he or she must request a new claim form from a Board field office within 30 days of becoming unemployed.

The local Board office reviews the completed application and notifies the claimant's railroad employer. The employer has the opportunity to provide information about the benefit application. After the Board office processes the application, biweekly claim forms are mailed to the claimant as long as he or she remains unemployed and eligible for benefits. Claim forms should be signed and mailed on or after the last day of the claim. The completed claims must be received by a Board office within 15 days of the end of the claim or the date the claim was mailed to the claimant, whichever is later.

10. How does a person claim sickness benefits?

An application for sickness benefits can be obtained from railroad labor organizations, railroad employers, any Board office or the Board's Web Site. An application and a doctor's statement of sickness are required at the beginning of each period of continuing sickness for which benefits are claimed.

The Board suggests that employees keep an application on hand for use in claiming sickness benefits, and that family members know where the form is kept and how to use it. If an employee becomes unable to work because of sickness or injury, the employee should complete the application and take or send it to his or her doctor for completion of the statement of sickness. If the employee is too sick to complete the application, someone else may do so. In such cases, a family member should also complete the "Statement of Authority to Act for Employee," which accompanies the statement of sickness.

After completion, the forms should be mailed to the Board's headquarters in Chicago by the seventh day of the illness or injury for which benefits are claimed. After the Board receives the application and statement of sickness and determines eligibility, biweekly claim forms are mailed to the claimant for completion and return to a Board field office for processing. The claim forms must be received at the Board within 30 days of the last day of the claim period, or within 30 days of the date the claim form was mailed to the claimant, whichever is later.

11. How long does it take to receive payment?

The Railroad Retirement Board will generally pay, or deny, all unemployment or sickness claims within 15 days of the date a Board office receives a claim. However, claims for some benefits may take longer to handle than others if they are more complex, or if a Board office has to get information from other people or organizations. If this happens, claimants may expect an explanation and an estimate of the time required to make a decision.

Claimants who think a Board office made the wrong decision about their benefits have the right to ask for review and to appeal. They will be notified of these rights each time an unfavorable decision is made on their claims.

12. How are payments made?

Railroad unemployment and sickness insurance benefits are paid by Direct Deposit. With Direct Deposit, benefit payments are made electronically to an employee's bank, savings and loan, credit union or other financial institution. New applicants for unemployment and sickness benefits will be asked to provide information needed for Direct Deposit enrollment. Benefits may be paid by check only if an applicant does not have a checking or savings account.

13. How can claimants receive more information on railroad unemployment or sickness benefits?

Claimants with questions about unemployment or sickness benefits should contact the nearest Board office. Most Board offices are open to the public from 9:00 a.m. to 3:30 p.m., Monday through Friday. Claimants can also get information about their claims and benefit payments by calling the toll-free RRB Help-Line at 1-800-808-0772. The RRB Help-Line is an automated telephone service available 24 hours a day, 7 days a week. Callers to the RRB Help-Line need a Personal Identification Number (PIN) which is printed on the back of each claim form.

In addition, information on benefit requirements, customer service standards, field office locations, and other topics can be accessed through the Board's Web Site.

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